

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY POWER COMPANY)	
D/B/A AMERICAN ELECTRIC POWER)	
<hr/>)	CASE NO. 2004-00049
)	
ALLEGED FAILURE TO COMPLY WITH)	
807 KAR 5:041, SECTION 3, AND)	
807 KAR 5:006, SECTION 25)	

O R D E R

On March 23, 2004, the Commission issued an Order directing Kentucky Power Company d/b/a American Electric Power (“Kentucky Power”) to appear at the Commission's offices on May 11, 2004 and to show cause why it should not be subject to penalties prescribed in KRS 278.990 for alleged violations of 807 KAR 5:006, Section 25, and 807 KAR 5:041, Section 3.

At Kentucky Power’s request, an informal conference was convened on April 29, 2004 to provide an opportunity for representatives of Kentucky Power to meet with Commission Staff to discuss the facts surrounding the accident. Those discussions led to the filing of a Stipulation of Facts and Settlement Agreement (“Agreement”), a copy of which is appended hereto as Appendix A.

In reviewing the Agreement, the Commission has considered, *inter alia*, the circumstances surrounding the alleged violations and the new safety policy that Kentucky Power has adopted with regard thereto. The Commission finds that the

Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Agreement are adopted and approved.

3. Within 10 days of the date of this Order, Kentucky Power shall pay to the Commonwealth of Kentucky the sum of One Thousand Seven Hundred Fifty Dollars (\$1,750). This payment shall be in the form of a cashier's check made payable to the "Treasurer, Commonwealth of Kentucky," and shall be mailed or delivered to the Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

4. Upon payment of the sum set forth in Ordering Paragraph 3, this case shall be closed and removed from the Commission's docket without further Order.

Done at Frankfort, Kentucky, this 9th day of September, 2004.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00049 DATED SEPTEMBER 9, 2004.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

KENTUCKY POWER COMPANY D/B/A
AMERICAN ELECTRIC POWER

CASE NO. 2004-00049

ALLEGED FAILURE TO COMPLY WITH
807 KAR 5:041, SECTION 3 AND
807 KAR 5:006, SECTION 25

STIPULATION OF FACTS AND AGREEMENT

By Order dated March 23, 2004, the Commission initiated this proceeding to determine whether Kentucky Power Company d/b/a American Electric Power ("Kentucky Power") should be subject to penalties prescribed in KRS 278.990 for the alleged violation of 807 KAR 5:041, Section 3 and 807 KAR 5:006, Section 25. The Order arose out of an accident on June 19, 2003, in Boyd County, Kentucky, in which Phillip Glass was injured at 237 Etna Street, Russell, Kentucky, upon contact with an energized #4 triplex service line owned and operated by Kentucky Power. The line previously was used to provide service to a home located at 209 Amanda Street, Russell, Kentucky. Pursuant to Kentucky Power's request, an informal conference with the Commission Staff (the "Staff") was held at the Commission's offices on April 29, 2004.

Kentucky Power and the Staff submit the following agreement for the Commission's consideration in rendering its decision in this proceeding:

1. Kentucky Power agrees that the Incident Description Section of the Staff's Utility Accident Investigation Report, appended to the Commission's Order dated March 23, 2004, accurately presents the facts relevant to this proceeding.

2. Following the incident, Kentucky Power instructed its service personnel that upon disconnection of any service line, all service drop lines are to be de-energized. Such education efforts will be continued from time to time by Kentucky Power as appropriate.

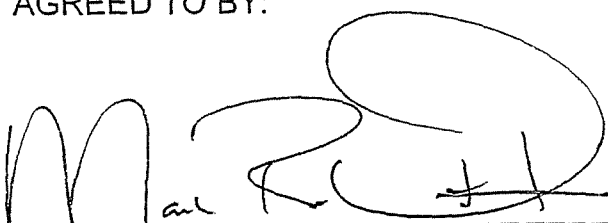
3. Kentucky Power agrees to pay to the Kentucky State Treasurer the amount of \$1,750.00 in full settlement of this proceeding. Neither the settlement payment, nor the fact of, or anything in, this Stipulation of Facts and Agreement shall constitute an admission by Kentucky Power that it violated the Commission's regulations, the National Electric Safety Code, the Kentucky Revised Statutes or any duty owed at common law. The settlement payment and the fact and contents of this Stipulation of Facts and Agreement shall not constitute evidence or be admissible for any purpose in any civil or other court proceeding relating to this incident.

4. Kentucky Power and the Staff agree that if this Stipulation of Facts and Agreement is not adopted in its entirety by the Commission, Kentucky Power and the Staff reserve their rights to withdraw there from and to require that a hearing be held on any and all matters involved herein. In such event, Kentucky Power and the Staff agree that the fact and contents of this Stipulation of Facts and Agreement shall be deemed

not binding upon the parties hereto, and shall not be used as an admission or evidence by either party.

5. Kentucky Power and the Staff agree that the foregoing Stipulation of Facts and Agreement is reasonable, is in the public interest, and should be adopted in its entirety by the Commission, and if so adopted, no petition for rehearing or judicial appeal will be filed.

AGREED TO BY:



Mark R. Overstreet

Dated this the 8th day of July, 2004

COUNSEL FOR:
KENTUCKY POWER COMPANY D/B/A
AMERICAN ELECTRIC POWER



Anita Mitchell

Dated this the 26th day of July, 2004

COUNSEL FOR THE COMMISSION
STAFF

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